

637.12
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1998 Jan

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: June 5, 1998
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12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$13.43 /CWT

EFFECTIVE JULY 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.43 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a different twenty cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.00.

CLASS I BUTTERFAT PRICE PER POUND

\$2.00 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.34 /CWT

Average spray process dry milk solids
price per pound = \$1.04000
Multiplied by 8.2 x 8.2

\$8.52800

\$8.52800

PLUS +

Average Grade 'A' 92 score butter
price per pound = \$1.70000
Multiplied by 4.2 x 4.2

\$7.14000

+ \$7.14000

LESS 8.5% (\$15.66800 X .085)

- \$15.66800
\$1.33178

\$14.33622

Rounded to the nearest whole cent = \$14.34 /hundredweight.

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND **\$1.90 /LB**

Butterfat differential	(\$1.70000	X .111)	=	\$0.18870
Rounded to the nearest half cent				=	\$0.190

CLASS II VALUE OF ONE POUND OF SKIM**0.079689119 /LB**

Butterfat value per pound	=	\$1.90
for milk at 3.5% test:		

Hundredweight price of milk testing 3.5%		=	\$14.34
LESS 3.5 pounds of butterfat at	\$1.90 per pound	-	\$6.650

Value of 96.5 pounds of skim		=	\$7.690
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Value of one pound of skim	(7.690 / 96.5 pounds)	=	\$0.07969 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$1.53 /LB**

Avg. Grade 'A' 92 score butter price/LB	\$1.70000
LESS 10%	\$0.17000
	<u>\$1.53000</u>

Rounded to the nearest whole cent	=	\$1.53 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.07824 /CWT**

Avg. spray process dry milk solid price/LB	\$1.04000
Multiplied by 8.2	<u>8.2</u>
	\$8.52800
LESS 17%	<u>\$1.44976</u>
	<u>\$7.07824</u>

Rounded to the nearest whole cent	=	\$7.08 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$12.19 /CWT**

3.5 pounds of butterfat	x	\$1.53 per pound =	\$5.355
96.5 pounds of skim		\$0.07078 per pound =	<u>\$6.830</u>

\$12.185 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by: Marlys M. Koontz
 Marlys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.43 FOR 3.5% MILK 96.5 LBS = \$6.430		CLASS II SKIM PRICE BASED ON \$14.34 FOR 3.5% MILK 96.5 LBS = \$7.690		CLASS III SKIM PRICE BASED ON \$12.19 FOR 3.5% MILK 96.5 LBS = \$6.830	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.06595	2.50	\$0.07887	2.50	\$0.07005
2.55	\$0.06598	2.55	\$0.07891	2.55	\$0.07009
2.60	\$0.06602	2.60	\$0.07895	2.60	\$0.07013
2.65	\$0.06605	2.65	\$0.07899	2.65	\$0.07016
2.70	\$0.06608	2.70	\$0.07903	2.70	\$0.07020
2.75	\$0.06612	2.75	\$0.07907	2.75	\$0.07023
2.80	\$0.06615	2.80	\$0.07912	2.80	\$0.07027
2.85	\$0.06619	2.85	\$0.07916	2.85	\$0.07031
2.90	\$0.06622	2.90	\$0.07920	2.90	\$0.07034
2.95	\$0.06625	2.95	\$0.07924	2.95	\$0.07038
3.00	\$0.06629	3.00	\$0.07928	3.00	\$0.07042
3.05	\$0.06632	3.05	\$0.07932	3.05	\$0.07045
3.10	\$0.06636	3.10	\$0.07936	3.10	\$0.07049
3.15	\$0.06639	3.15	\$0.07940	3.15	\$0.07052
3.20	\$0.06643	3.20	\$0.07944	3.20	\$0.07056
3.25	\$0.06646	3.25	\$0.07948	3.25	\$0.07060
3.30	\$0.06649	3.30	\$0.07952	3.30	\$0.07063
3.35	\$0.06653	3.35	\$0.07957	3.35	\$0.07067
3.40	\$0.06656	3.40	\$0.07961	3.40	\$0.07071
3.45	\$0.06660	3.45	\$0.07965	3.45	\$0.07074
3.50	\$0.06663	3.50	\$0.07969	3.50	\$0.07078
3.55	\$0.06667	3.55	\$0.07973	3.55	\$0.07082
3.60	\$0.06670	3.60	\$0.07977	3.60	\$0.07085
3.65	\$0.06674	3.65	\$0.07981	3.65	\$0.07089
3.70	\$0.06677	3.70	\$0.07985	3.70	\$0.07093
3.75	\$0.06681	3.75	\$0.07990	3.75	\$0.07096
3.80	\$0.06684	3.80	\$0.07994	3.80	\$0.07100
3.85	\$0.06687	3.85	\$0.07998	3.85	\$0.07104
3.90	\$0.06691	3.90	\$0.08002	3.90	\$0.07107
3.95	\$0.06694	3.95	\$0.08006	3.95	\$0.07111
4.00	\$0.06698	4.00	\$0.08010	4.00	\$0.07115
4.05	\$0.06701	4.05	\$0.08015	4.05	\$0.07119
4.10	\$0.06705	4.10	\$0.08019	4.10	\$0.07122
4.15	\$0.06708	4.15	\$0.08023	4.15	\$0.07126
4.20	\$0.06712	4.20	\$0.08027	4.20	\$0.07130
4.25	\$0.06715	4.25	\$0.08031	4.25	\$0.07133
4.30	\$0.06719	4.30	\$0.08036	4.30	\$0.07137
4.35	\$0.06722	4.35	\$0.08040	4.35	\$0.07141
4.40	\$0.06726	4.40	\$0.08044	4.40	\$0.07145
4.45	\$0.06729	4.45	\$0.08048	4.45	\$0.07148
4.50	\$0.06733	4.50	\$0.08052	4.50	\$0.07152

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$14.16	\$15.51	\$1.35	8.70%
February	\$13.89	\$15.84	\$1.95	12.31%
March	\$14.49	\$15.80	\$1.31	8.29%
April	\$15.01	\$15.87	\$0.86	5.42%
May	\$15.04	\$15.36	\$0.32	2.08%
June	\$13.99	\$14.56	\$0.57	3.91%
July	\$13.25	\$13.43	\$0.18	1.34%
August	\$13.29			
September	\$13.41			
October	\$14.62			
November	\$15.34			
December	\$15.38			
Average	\$14.32	\$15.20		

